



NONPROFIT CORPORATE BYLAWS OF
HACHISAKURA JUDO CLUB INC
A Non-Profit Recreational Organization

1. ARTICLE I – NAME AND LOCATION

- 1.1. The name of this corporation shall be HachiSakura Judo Club Inc (herein after *Club*). The business of the corporation may be conducted as HachiSakura Judo Club Inc, HachiSakura Judo Club, or HachiSakura Judo.
- 1.2. The principle office of the Club, at which the general business of the Club will be transacted and where the records of the Club will be kept, shall be situated in Montezuma County of the State of Colorado at such specific location as the Board of Directors shall determine from time to time. The Club may also have such other offices or meeting locations as the Board of Directors determines from time to time.
- 1.3. The jurisdiction of the Club shall comprise the southwestern corner of the State of Colorado, including the counties of Montezuma, La Plata, Dolores, and San Juan.

2. ARTICLE 2 – PURPOSE, POWERS, and PROHIBITED ACTIVITIES

- 2.1. General Purpose. The Club is a Colorado nonprofit social/recreational club, recognized as tax exempt under §501(c)(7) of the Internal Revenue Code of 1986 (as amended), and is organized and operated for the following general purposes:
 - a) Exclusively as a recreational sports club organized and operated for the pleasure and recreation of its members within the meaning of §501(c)(7) of the Internal Revenue Code of 1986 (as amended) or the corresponding provision of any future United States internal revenue law.
 - b) To exercise such of the rights, powers, duties, and authority of a nonprofit corporation organized under the Nonprofit Corporation Act of the State of Colorado which are consistent with the preceding paragraph.
 - c) The Club shall not engage in the business of making its social and recreational facilities available to the general public. Further, the Club shall not make any solicitation of the general public to utilize club facilities.
- 2.2. Specific Purposes. The specific purposes of the Club include, without limitation, the following:
 - a) To engage in social and recreational pleasure by teaching, practicing, and promoting the sport of judo within the jurisdiction of the Club and its surrounding communities;
 - b) To educate and teach Club members the general practices of judo as a martial art, and Olympic sport, a recreational activity for fitness and pleasure, a safe and effective form of self-defense, and a way of life;

- c) To foster, promote, and advance participation in the growth and development of the sport of judo, especially in local students and community youth;
- d) To guard the interests of Club members and to encourage discipline, mutual respect for self and others, physical conditioning, focus, and ethical values associated with the traditional sport of Kodokan Judo; and
- e) To teach and train Club members in basic skills up through advanced skills, and to encourage them to attend local, state, and national clinics, competitions, and tournaments.

2.3. Powers

- a) The Club shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to affect the social, recreational, or educational purposes, for which the Club is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes.
- b) The Club shall have the power to utilize social media channels and the Club's website to provide facts, statistics, and other related information.
- c) To maximize the impact on current efforts, the Club may seek to collaborate with other non-profit organizations which fall under §501(c)(3) or §501(c)(7) of the Internal Revenue Code of 1986 (as amended), and are operated exclusively for social, recreational, and/or educational purposes.
- d) At times, per the discretion of the Board of Directors, the Club may provide internships or volunteer opportunities which will provide opportunities for involvement in said activities and programs in order to have a greater impact for change.
- e) The powers of the Club may include, but not be limited to, the acceptance of contributions from the public and private sectors, whether financial or in-kind contributions, if the acceptance of such contributions remains consistent with the guidelines of §501(c)(7) of the Internal Revenue Code of 1986 (as amended).

2.4. Prohibited Activities

- a) Exempt Activities Limitation. Notwithstanding any other provision of these Bylaws, no director, officer, agent, member, or representative of the Club shall take any action or carry on any activity by or on behalf of the Club not permitted to be taken or carried on by an organization exempt under §501(c)(7) of the Internal Revenue Code of 1986 as it now exists or may be amended. No part of the net earnings of the Club shall inure to the benefit or be distributable to any director, officer, member, or other private person, except that the Club shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and

distributions in furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws.

- b) **Actions Jeopardizing Tax Status.** The Club shall not carry on any activities not permitted to be carried on by an organization exempt from federal income taxes under §501(c)(7) of the Internal Revenue Code of 1986, as amended, or the corresponding provision of any future United States internal revenue law.
- c) **Lobbying and Political Activities.** The Club may not devote a substantial part of its activities for lobbying purposes (including the publishing or distribution of statements) or otherwise attempting to influence legislation. However, the Club may participate or intervene in (including the publishing or distribution of statements) any political or judicial campaign on behalf of any candidate for public office only to an insubstantial degree.
- d) **Private Inurement.** No part of the net income or net assets of the Club shall inure to the benefit of, or be distributable to, its directors, officers, or members. Specifically, club revenue generated from nonmembers shall not be used to the personal advantage of the members. However, the Club is authorized to pay reasonable compensation for services actually rendered and to make payments and distributions in furtherance of its tax-exempt purposes.
- e) **Non-Discrimination.** In the conduct of all aspects of its activities, the Club shall not discriminate on the grounds of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status.
- f) **No directors or officers or members of the Club shall be bound personally by any obligations or liabilities incurred by the Club.**
- g) **Conflicts of Interest.** A conflict of interest occurs when a person under a duty to promote the interests of the Club (a "fiduciary") is in a position to promote a competing interest instead. Fiduciaries include all Club directors or officers or members. Undisclosed or unresolved conflicts of interest are a breach of the duty to act in the best interests of the Club and work to the detriment of the Club.
 - i) **Typical Conflict Situations.** Conflicts of interest are likely to arise whenever: a) a fiduciary has a personal interest in a vendor of goods or services to the Club; or b) Club agents are loaned to other organizations, or the agents of another organization are loaned to this Club.
 - ii) **Discharging Conflicts of Interest.** All conflicts of interest must be disclosed to the Board of Directors. After disclosure is made, the individual with a conflicting interest must not participate in judging the merits of that interest. That is, such individual must abstain from voting on, or recommending a course of action with respect to, the situation giving rise to the conflict. When these are done, the conflict of interest has been properly discharged.

- iii) Preventing Conflict Situations. The Club, through the Board of Directors, shall encourage all fiduciaries to prevent conflicts of interest where possible.
 - Fiduciaries should refuse to enter into self-dealing relationships with the Club as a vendor.
 - Fiduciaries should not accept anything but gifts of insubstantial value from vendors.
 - The lending of agents to, or acceptance of loaned agents from, other organizations should be avoided. If done, however, a clearly drafted contract defining wages, responsibilities, indemnification, and conditions of agreement is required.
- iv) Litigation. The Club shall not be a voluntary party in any litigation without the prior written approval of the Board of Directors.

3. ARTICLE 3 – MEMBERSHIP

3.1. No Corporate Membership Classes. Except for the Board of Directors, which may include an Executive Director, Associate Directors, and/or Officers of the Board, the Club shall have no other corporate members who have any right to vote or title or interest in or to the Club, its properties, assets, government, and franchises.

3.2. Non-Voting Individual Club Membership Classes. There shall be non-voting individual club memberships, which may include sub-classes. The Board of Directors may approve other classes of non-voting memberships with rights, privileges, and obligations established by the Board of Directors. Club members may be individuals that seek to engage in the social/recreational activities of the club and support the mission of the Club. The Board of Directors shall have authority to admit any individual as a club member, to recognize representatives of club members, and to make determinations as to club members' rights, privileges, and obligations. At no time, shall club membership information be shared with or sold to other parties or organizations or groups without the club member's consent. At the discretion of the Board of Directors, club members may be given endorsement, recognition, and media coverage at fundraising activities, clinics, other events, or on the Club's website. Individual club members have no voting rights, and are not members of the corporation.

3.3. Qualifications for Club Membership. The individual members of the Club shall consist of such persons as: 1) permanently or temporarily reside within the jurisdiction of the Club; 2) apply for membership on a form approved by the Board of Directors, including a signed Liability Waiver form; 3) obtain active membership status with the United States Judo Association; 4) subscribe to the purposes and goals of the Club; 5) agree to abide by the Bylaws of the Club as amended from time to time; and 6) is approved by the Board of Directors. Membership applications must be submitted to the Board of Directors for approval.

3.4. Individual club members shall be divided into the following groups;

- a) Regular SENIOR Members. A regular senior club member is one who permanently or temporarily resides within the jurisdiction of this organization, who is 18 years of age or older, who is a member in good standing of the USJA national organization, and who has obtained rank recognized as either Yudansha or Mudansha.
- b) Regular JUNIOR Members. A regular junior club member is one who permanently or temporarily resides within the jurisdiction of this organization, who is 17 years of age or younger (with signed parental or legal guardian consent), who is a member in good standing of the USJA national organization, and who has obtained rank recognized as either Yudansha or Mudansha.
- c) Temporary Non-affiliated Members. A temporary non-affiliated club member is one who permanently or temporarily resides within the jurisdiction of this organization, who is any age, who is not a member of the USJA national organization, but may be a member in good standing of either the USFJ or USJI (USA Judo), and who has obtained rank recognized as either Yudansha or Mudansha. Temporary Non-affiliated memberships are valid for up to three (3) months only.
- d) Social Associate Members. A social associate club member is one who may or may not permanently or temporarily reside within the jurisdiction of this organization, who is 18 years of age or older, who may or may not be a member of the USJA, USJF, or USJI (USA Judo) national organization, and who may or may not hold rank recognized as either Yudansha or Mudansha. Social associate members may participate in all social club activities, including, but not limited to, stretching, exercising, and warm-up routines, but may not participate in recreational judo activities.

3.5. New Membership Categories. The Board of Directors shall have the authority to amend current membership categories or to create new membership categories from time to time as necessary. The Board shall specify the rights and limitations of each new category at the time it is created.

3.6. Membership Dues. The Board of Directors shall have the power to set, modify, and collect from the club members, all fees, dues, and assessments required for conducting the affairs of the Club. As of January 01st, 2017, there shall be no dues or assessments imposed upon or required by members of the Club. Membership dues shall be voluntary as cash or check donations payable to HachiSakura Judo Club Inc. Voluntary membership dues may be in the form of a one-time donation or may be recurring donations (annually, semi-annually, quarterly, monthly, etc.), and are at the discretion of the club member.

3.7. Termination of Membership. The membership of each member of the Club will terminate upon the member's death, resignation, expulsion, or failure to maintain active status with the USJA. Unless otherwise determined by the Board of Directors, each

member's membership will immediately terminate if his or her active USJA status is not restored within ninety-one (91) days after such member's USJA dues were due. Members terminated as a result of expulsion may not renew their membership in the Club within one year following the date of expulsion and without obtaining the affirmative vote of at least two-thirds ($\frac{2}{3}$) of the Regular Senior and Junior club members. Members terminated as a result of resignation may renew their membership only by full re-application for membership in the Club.

3.8. Expulsion. Any member may be expelled from membership with or without cause upon the decision of the Board of Directors if, in the discretion of the Board as indicated by such decision, such expulsion would be in the best interests of the Club and/or the safety of the Club members. Nothing in these Bylaws shall be construed as granting to any member a continued membership or expectation of membership in the Club.

4. ARTICLE 4 – GOVERNANCE AND BOARD OF DIRECTORS

4.1. Governance of the affairs, business, and powers of the Club, subject to the limitations set forth elsewhere herein, shall be conducted, controlled, and exercised by the Board of Directors which shall be comprised of individual members appointed or selected in the manner prescribed per the Articles of Incorporation or Bylaws of the Club then in effect or as amended from time to time. The Board of Directors shall include the initial sole Executive Director, and may include any future Associate Directors, and/or any future Officers of the Board.

4.2. Powers. Subject to any limitations of the Articles of Incorporation, the Colorado Nonprofit Corporation Act or these Bylaws, all corporate powers shall be exercised by, or under the authority of, and the business and affairs of the Club shall be controlled by the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board of Directors shall have the following powers:

- a) To appoint and remove all Associate Directors and Officers of the Board subject to such limitations as may appear in the Bylaws, and to prescribe such powers and duties for Officers as may not be inconsistent with law, with the Articles of Incorporation, or the Bylaws.
- b) To conduct, manage and control the affairs of the Club, and to make such rules and regulations therefor, not inconsistent with law, or with the Articles of Incorporation, or the Bylaws, as they may deem best.
- c) To designate any place for the holding of any membership meeting or Board of Directors meeting, to change the principal office of the Club for the transaction of its business from one location to another; as, in their judgment, they may deem best.
- d) To borrow money and incur indebtedness for the purpose of the Club and to cause to be executed and delivered therefor, in the Club's name, promissory notes, bonds,

debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt, and securities thereof.

- e) To manage in such manner as they may deem best, all funds and property, real and personal, received and acquired by the Club, and to distribute, loan or dispense the same or the income and profits therefrom.

4.3. Number of Directors. The number of directors constituting the entire Board shall be a minimum of one Executive Director and a maximum of four Directors including the Executive Director and up to three Associate Directors, as fixed by resolution of the Board. Subject to the foregoing, the number of directors may be determined from time to time by action of the Board of Directors, provided that any action by the Board of Directors to affect such increase above the maximum or decrease below the minimum shall require the majority vote of all directors then in office. No decrease in the number of directors shall shorten the term of any director then in office.

4.4. Qualifications for Office. The Executive Director, Associate Directors, and Officers of the Board must be members in good standing of this Club and hold a minimum rank in judo of *Sankyu*, third-degree brown belt. Each director or officer must be a U.S. citizen and must permanently or temporarily reside within the jurisdiction of the Club. No person who is holding public office is eligible to be a director or officer. Each director or officer shall serve without compensation except for reasonable reimbursement of expenses incurred for the Club. Each director or officer shall be at least 18 years of age.

4.5. Appointment of the Executive Director. The incorporator shall appoint the initial sole Executive Director as described in the Articles of Incorporation. The Executive Director will serve indefinitely or until the Club is terminated or dissolved and will hold office at will and will not be subject to term limits applicable to directors as described or amended in these Bylaws.

4.6. Election of Associate Directors and Officers of the Board. All Associate Directors and Officers of the Board shall be appointed or elected by the voting members of the Board. The term of each director, upon being elected to office, shall begin immediately.

4.7. Term of Office / Staggering of Terms / Nomination of Directors. The Term of Office, Staggering of Terms, and Nomination of Directors shall be drafted and amended to these Bylaws as needed before any future Associate Directors shall be appointed.

4.8. Removal, Resignation. The Executive Director may be removed by resignation or by termination or dissolution of the Club. An Associate Director may resign from office at any time by giving written notice thereof to the Executive Director. Any Associate Director may be removed with or without cause by a majority vote of all the other directors then in office. Cause for removal exists (without limiting other causes for removal) whenever an Associate Director:

- a) fails to attend at least one regular or special meeting of the Board of Directors within a fiscal year, notwithstanding that he or she otherwise qualifies for office;

- b) is convicted of a felony;
- c) has committed a material breach of his or her fiduciary duty;
- d) has committed an act of moral turpitude; or
- e) ceases to be a member in good standing of the Club while in office as a director.

4.9. Place and Number of Meetings. Meetings of the Board of Directors shall be held at any place which has been designated from time to time by resolution of the Board or by written consent of all directors. In the absence of such designation, meetings shall be held at the principal office of the Club. The Board shall hold at least one meeting each calendar year.

4.10. Annual and Special Meetings. During January of each year, the Board of Directors shall hold an annual meeting for the purposes of filling vacancies on the Board and the election of officers. Other business may be transacted at the annual meeting as necessary. Special meetings of the Board of Directors for any purpose(s) may be called at any time by the President, or, if the President is absent, or unable or refuses to act, by a majority of the directors then in office.

4.11. Notice of Meetings. A regular meeting of the directors may be held without prior notice. Notice of the time and place of special meetings of the Board shall be given personally to the directors or sent by mail, email, or other form of communication, at least three days in advance of such meeting. Such notice may or may not state the general nature of the business to be considered at the special meeting.

4.12. Quorum and Voting. A majority of the elected and qualified directors and/or officers shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held, at which a quorum was present, shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Articles of Incorporation or by these Bylaws. No business shall be considered by the Board at any meeting at which a quorum is not present. Each director present shall be entitled to one (1) vote as a director in addition to one (1) vote as an officer for each office held. Voting by proxy shall not be permitted. Members must be present in person to vote. On the occasion that directors of the Board are unable to make a decision based on a tied number of votes, the Executive Director shall have the power to swing the vote based on his/her discretion.

4.13. Action by Unanimous Written Consent. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting and with the same force and effect as if taken by a unanimous vote of directors, if authorized by writing signed individually or collectively by all directors. Such consent shall be filed with the regular minutes of the Board.

4.14. Compensation for Board Service. The Executive Director, Associate Directors, and Officers of the Board shall receive no compensation for carrying out duties as members

of the Board. The Board may adopt policies providing for reasonable reimbursement for expenses incurred in conjunction with carrying out Board responsibilities.

4.15. Compensation for Professional Services. Members of the Board are not restricted from being remunerated for professional services provided to the Club. Such remuneration shall be reasonable and fair to the Club and must be reviewed and approved in accordance with the Club's Conflict of Interest policy and state law.

5. ARTICLE 5 – OFFICERS

5.1. Responsibility. All officers are subordinate and responsible to the Board of Directors.

5.2. Number and Selection. The Board of Directors shall appoint a President/CEO, and may appoint a Secretary, a Treasurer, a Vice-President, and such other officers as they may determine necessary and best. The same person may hold any two or more offices. The President and the Vice President, if any, must also be a director of the Club. Each officer shall hold office until a successor is elected and qualified, or until the officer's resignation, death, or removal. Vacancies in offices shall be filled by election by the Board of Directors at any time to serve unexpired terms.

5.3. Resignation and Removal. The resignation of any officer shall be tendered in writing to any other officer or director and shall be effective as of the date stated in the resignation. Any officer may be removed during their term by majority vote of the Board of Directors whenever, in their judgment, removal would serve the best interests of the Club. Such removal shall terminate all authority of the officer.

5.4. President. The President shall be the chief executive, operating and financial officer of the Club, and subject to the direction and under the supervision of the Board of Directors, shall have general charge of the business affairs and property of the Club. The President shall preside at all meetings of the Board of Directors as President and Chair of the Board and shall interest himself in all affairs of the Club. The President shall have such other duties and responsibilities and may exercise such other powers as are usually incident to the office or as from time to time may be assigned by these Bylaws or the Board of Directors.

- a) Appointment. The Executive Director shall serve as President of the Board and as Chief Executive Officer (CEO) of the Club. Such President and CEO will hold office at will and will not be subject to term limits applicable to the officers as described or amended in these Bylaws.
- b) Removal, Resignation. The President/CEO may be removed by resignation or by termination or dissolution of the Club.

5.5. Vice President. At the request of the President, or in the President's absence or disability, the Vice President shall perform all the duties of the President. When so acting, the Vice President shall have all the powers of, and be subject to all the restrictions upon the President. The Vice President shall have such other duties and responsibilities and may

exercise such other powers as from time to time may be assigned by the President or the Board of Directors or as may be provided in these Bylaws.

5.6. Secretary. The Secretary shall cause to be kept at the principal office of the Club, the Secretary's principal place of business, or such other place as the Board of Directors may order, the official seal of the Club (if any), the membership book and a book of minutes of all meetings of directors and members. The Secretary shall keep a membership book containing names and addresses of each member, and the date upon which the membership ceased. The Secretary shall give the notices of the special meetings of the voting members as provided in these Bylaws. The Secretary shall also maintain and protect a file of all official and legal documents of the Club. The Secretary shall perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors or the Bylaws.

5.7. Treasurer. The Treasurer shall have custody of all Club funds; keep full and accurate accounts of all receipts and disbursements of the Club, an inventory of assets, and a record of the liabilities of the Club; deposit all money and other securities in such depositories as may be designated by the Board of Directors; disburse the funds of the Club as ordered by the President or the Board of Directors taking proper vouchers for disbursements; and prepare all statements and reports required by law, by the President or by the Board of Directors. The Treasurer shall have such other duties and responsibilities and may exercise such other powers as are usually incident to the office or as from time to time may be assigned by these Bylaws, the Board of Directors, or the President. The Board of Directors or the President may delegate all or part of the authority and duties of the Treasurer to subordinate officers.

5.8. Compensation for Officers. The Officers of the Board shall receive no compensation for carrying out the duties as Officers of the Board. The Board of Directors may adopt policies providing for reasonable reimbursement for expenses incurred in conjunction with carrying out Officer responsibilities.

5.9. Transition of Office. To maintain Club continuity, officers whose terms of office have expired shall assure the orderly transition of authority to their successors before being relieved of their responsibilities. Similarly, officers whose terms of office have expired shall take all appropriate steps to substitute their successors on all of the Club's financial accounts and signature cards, if any.

6. ARTICLE 6 – PROFESSIONAL COACHES AND GUESTS

6.1. Definition. A Professional Coach or Clinician is a qualified instructor who is invited by the Board to provide instruction to members of the Club. A Professional Coach or Clinician need not be a member of the Club.

6.2. Privileges. Each Professional Coach or Clinician may enjoy all the privileges of the Club, except that they may not vote or hold any office within the Club unless they are a Regular Member of the Club.

- 6.3. Independent Contractor. Each Professional Coach or Clinician must be a member of the USJA, USJF, or USJI (USA Judo). Each Professional Coach or Clinician is an independent contractor and must, as a condition of approval, either: 1) provide his or her own workers disability compensation insurance; 2) provide his or her own accident liability insurance; or 3) sign a waiver of liability against the Club for any loss, expense or injury arising from the conduct of Club related business.
- 6.4. Approval. To become a Professional Coach or Clinician, a candidate must submit a written personal request or resume to the Board and receive the approval of the Board.
- 6.5. Guests. Each member may bring one or more guests to Club events, but no individual guest may attend more than three (3) consecutive events per year as a guest.
- 6.6. Responsibility for Guests. Each member shall be responsible for the conduct of, and indebtedness incurred by, all guests admitted to the Club's facilities at the member's request.
- 6.7. Prospective Members. A prospective member may be admitted to three (3) Club events per year as a guest provided he or she is accompanied in person by a member who introduces such guest to the Club members.

7. ARTICLE 7 – OTHER FINANCIAL MATTERS

- 7.1. Property of the Club. The title to all property of the Club, both real and personal, shall be vested in the Club.
- 7.2. Disposition Upon Dissolution. Upon the termination, dissolution or winding up of the Club, or in the event it shall cease to engage in carrying out the purposes and goals set forth in these Bylaws, all of the business, properties, assets and income of the Club remaining after payment, or provision for payment, of all debts and liabilities of this Club, including those arising from termination or dissolution and the balance, shall be distributed forthwith to a United States Judo Association successor nonprofit organization or corporation which is organized and operated exclusively for tax exempt purposes which are substantially or reasonably related to the purposes and goals of this Club, as may be determined by the Board of Directors of this Club in its sole discretion, and which has established its tax exempt status under §501(c)(3) or §501(c)(7) of the Internal Revenue Code of 1986, as amended.

The organization to receive the assets of HachiSakura Judo Club Inc hereunder shall be selected at the discretion of the Board of Directors, and if the Board cannot select, then the recipient organization shall be selected pursuant to a verified petition in equity filed in a court of proper jurisdiction against the Club, by its Director which verified petition shall contain such statements as reasonably indicate the applicability of this section. The court upon a finding that this section is applicable shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the State of Colorado.

In the event that the court shall find that this section is applicable but that there is no qualifying organization known to it which has a nonprofit purpose, which, at least generally, includes a purpose similar to the Club, then the court shall direct the distribution of its assets lawfully available for distribution to the Treasurer of the State of Colorado to be added to the general fund.

- 7.3. **Contracts.** The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Club. Such authority may be general or confined to a specific instance. Unless so authorized by the Board of Directors, no officer or agent shall have any power or authority to bind the Club by any contract or engagement, or to pledge its credit, or render it pecuniarily liable for any purpose or to any amount. Except as otherwise provided by resolution of the Board or board policy, all contracts, deeds, leases, mortgages, grants, and other agreements of the Club shall be executed on its behalf by the Executive Director/Board President/CEO to whom the Club has delegated authority to execute such documents in accordance with policies approved by the Board.
- 7.4. **Financial Accounts.** The Club may establish one or more checking accounts, savings accounts or investment accounts with appropriate financial entities or institutions as determined in the discretion of the Board of Directors to hold, manage, or disburse any funds for Club purposes. All funds of the Club not otherwise employed shall be deposited from time to time to the credit of the Club in such accounts. All checks, drafts, or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of the Club, shall be signed by such officer(s) or agent(s) of the Club, and in such manner, as is determined by the Board of Directors from time to time.
- 7.5. **Appointment and Employment of Advisors.** The Board may from time to time appoint, as advisors, persons whose advice, assistance and support may be deemed helpful in determining policies and formulating programs for carrying out the Club's purposes. The Board is authorized to employ such persons, including attorneys, accountants, agents, and assistants as in its opinion are needed for the administration of the Club and to pay reasonable compensation for services and expenses thereof.
- 7.6. **Limitations on Debt.** No loans shall be contracted and no debt shall be incurred by the Club beyond the accounts payable incurred by it as a result of its ordinary operating expenses, and no evidence of indebtedness shall be issued in the name of the Club unless authorized by the Board of Directors.
- 7.7. **Liability of Directors and Officers.** No director or officer of the Club shall be personally liable to its creditors or for any indebtedness or liability and any and all creditors shall look only to the Club's assets for payment. Further, neither any officer, the Board nor any of its individual members shall be liable for acts, neglects or defaults of a director, officer, agent or representative selected with reasonable care, nor for anything the same may do or refrain from doing in good faith, including the following of done in good

faith: errors in judgment, acts done or committed on advice of counsel, or any mistakes of fact or law.

7.8. Liability of Members. No member of the Club shall be personally liable to its creditors or for any indebtedness or liability and any and all creditors shall look only to the Club's assets for payment.

7.9. Property Interests Upon Termination of Membership. Members have no interest in the property, assets, or privileges of the Club. Cessation of membership shall operate as a release and assignment to the Club of all right, title and interest of any member, but shall not affect any indebtedness of the Club to such member.

7.10. Fiscal Year. The fiscal year of the Club shall be from each January 1 to each December 31.

8. ARTICLE 8 – INDEMNIFICATION

8.1. Right to Indemnification. Each person who was or is a party to or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative, or investigative, formal or informal (hereinafter referred to as a *proceeding*), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Club or, while serving as a director or officer of the Club, is or was serving at the request of the Club as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not, whether the basis of the proceeding is alleged action in an official capacity as a director, officer, employee, or agent or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Club to the fullest extent authorized by state law, as it exists or may be amended (but, in the case of any such amendment, only to the extent that the amendment permits the corporation to provide broader indemnification rights than state law permitted the Club to provide before the amendment), against all expenses, liability, and loss (including attorney fees, judgments, fines, ERISA excise taxes, or penalties and amounts to be paid in settlement) reasonably incurred by the person in connection therewith, and the indemnification shall continue for a person who has ceased to be a director or officer and shall inure to the benefit of his or her heirs, executors, and administrators; provided, however, that except as provided in the next section with respect to proceedings seeking to enforce rights to indemnification, the Club shall indemnify any such person seeking indemnification in connection with a proceeding, or part thereof, initiated by the person only if the proceeding, or part thereof, was authorized by the Board of Directors of the Club. To the extent authorized by state law, the Club may, but shall not be required to, pay expenses incurred in defending a proceeding in advance of its final disposition. The right to indemnification conferred in this article shall be a contract right.

- a) **Mandatory Indemnification.** The Club shall indemnify a director or former director, who has wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was a director of the Club against reasonable expenses incurred by him or her in connection with the proceedings.
 - b) **Permissible Indemnification.** The Club shall indemnify a director or former director made a party to a proceeding because he or she is or was a director of the Club, against liability incurred in the proceeding, if the determination to indemnify him or her has been made in the manner prescribed by the law and payment has been authorized in the manner prescribed by law.
- 8.2. **Indemnification of Representatives and Agents of the Club.** The Club may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to payment by the Club, for expenses incurred in defending any proceeding before its final disposition, to any representative or agent of the Club to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of directors and officers of the Club.
- 8.3. **Advance for Expenses.** Expenses incurred in defending a civil or criminal action, suit, or proceeding may be paid by the Club in advance of the final disposition of such action, suit, or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of 1) a written affirmation from the director, officer, representative or agent of his or her good faith belief that he or she is entitled to indemnification as authorized in this article, and 2) an undertaking by or on behalf of the director, officer, representative or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the corporation in these Bylaws.
- 8.4. **Insurance.** The Club may purchase and maintain insurance on behalf of any person who is or was a director, officer, representative, or agent of the Club, or is or was serving at the request of the Club as a director, officer, partner, trustee, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Club would have power to indemnify the person against the liability under these bylaws or the laws of the state of Colorado.
- 8.5. **Changes in Colorado Law.** If there is any change of the Colorado statutory provisions applicable to the Club relating to the subject matter of this Article, then the indemnification to which any person shall be entitled under this Article shall be determined by the changed provisions, but only to the extent that the change permits the Club to provide broader indemnification rights than the provisions permitted the Club to provide before the change. Subject to the next Section, the Board of Directors is authorized to amend these bylaws to conform to any such changed statutory provisions.

- 8.6. Amendment or Repeal of Article. No amendment or repeal of this Article shall apply to or have any effect on any director, officer, representative, or agent of the Club for or with respect to any acts or omissions of the director, officer, representative, or agent occurring before the amendment or repeal.
- 8.7. Impact of Tax Exempt Status. The rights to indemnification set forth in this Article are expressly conditioned upon such rights not violating the Club's status as a tax-exempt organization described in §501(c) of the Internal Revenue Code of 1986, as amended.

9. ARTICLE 9 – NON-DISCRIMINATION STATEMENT AND POLICY

- 9.1. HachiSakura Judo Club Inc is committed to maintaining a community which recognizes and values the inherent worth and dignity of every person; fosters tolerance, sensitivity, understanding, and mutual respect among its members; and encourages everyone to strive to reach his or her own potential for excellence. In pursuit of its goal of teaching, practicing, and promoting the sport of judo, the Club seeks to develop and nurture diversity. The Club believes that diversity among its members strengthens the organization, stimulates creativity, promotes the exchange of ideas, and enriches community life.
- 9.2. The Club views, evaluates, and treats all persons in any club related activity or circumstance in which they may be involved, solely as individuals on the basis of their own personal abilities, qualifications, and other relevant characteristics.
- 9.3. The Club does not and shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations. These activities include, but are not limited to, club membership, hiring or firing of staff, selection of volunteers and vendors, and provision of social and recreational activities. The Club is committed to providing an inclusive and welcoming environment for all members, staff, volunteers, subcontractors, and vendors. The Club shall conduct its programs and social and recreational activities consistent with applicable federal, state and local laws, regulations, and orders and in conformance with the procedures and limitations as set forth in these articles of incorporation.

10. ARTICLE 10 – DOCUMENT RETENTION POLICY

- 10.1. The Club shall keep correct and complete books and records of account and shall keep minutes of the proceedings of all meetings of its Board of Directors, a record of all actions taken by the Board of Directors without a meeting, and a record of all actions taken by the Officers of the Board. In addition, the Club shall keep a copy of the Club's Articles of Incorporation and Bylaws as amended to date.
- 10.2. Purpose. The purpose of this document retention policy is establishing standards for document integrity, retention, and destruction, and to promote the proper treatment of Club records.

- 10.3. General Guidelines. Records should not be kept if they are no longer needed for the operation of the Club or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.
- 10.4. From time to time, the Club may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are identified below. While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention, as well as the exception for litigation relevant documents and any other pertinent factors.
- 10.5. Exception for Litigation Relevant Documents. The Club expects all directors, officers, members, representatives, and agents to comply fully with any published records retention or destruction policies and schedules, provided that all directors, officers, members, representatives, and agents should note the following general exception to any stated destruction schedule: If you believe, or the Club informs you, that corporate records are relevant to litigation, or potential litigation (i.e. a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.
- 10.6. Minimum Retention Periods for Specific Categories.
- a) Corporate Documents. Corporate records include the Club's Articles of Incorporation, By-Laws, and IRS Form 1024 and Application for Exemption. Corporate records should be retained permanently. IRS regulations require that the Form 1024 be available for public inspection upon request.
 - b) Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, and other documents concerning the Club's revenues. Tax records should be retained for at least seven years from the date of filing the applicable return.
 - c) Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the Club's minute book. A clean copy of all other Board and Board Committee materials should be kept for no less than three years by the Club.
 - d) Press Releases / Public Filings. The Club should retain permanent copies of all press releases and publicly filed documents under the theory that the Club should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the Club.

- e) Legal Files. Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten years.
- f) Marketing and Sales Documents. The Club should keep final copies of marketing and sales documents for the same period it keeps other corporate files, generally three years. An exception to the three-year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.
- g) Development / Intellectual Property and Trade Secrets. Development documents are often subject to intellectual property protection in their final form (e.g., patents and copyrights). The documents detailing the development process are often also of value to the Club and are protected as a trade secret where the Club:
 - i) derives independent economic value from the secrecy of the information; and
 - ii) has taken affirmative steps to keep the information confidential.
- h) The Club should keep all documents designated as containing trade secret information for at least the life of the trade secret.
- i) Contracts. Final, execution copies of all contracts entered into by the Club should be retained. The Club should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.
- j) Correspondence. Unless correspondence falls under another category listed elsewhere in this policy, correspondence should generally be saved for two years.
- k) Banking and Accounting. Accounts payable ledgers and schedules should be kept for seven years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for three years. Any inventories of products, materials and supplies and any invoices should be kept for seven years.
- l) Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.
- m) Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for three years.
- n) Electronic Mail. E-mail that needs to be saved should be either:
 - i) printed in hard copy and kept in the appropriate file; or
 - ii) downloaded to a computer file and kept electronically or on disk as a separate file. The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.

11. ARTICLE 11 – TRANSPARENCY AND ACCOUNTABILITY

- 11.1. Purpose. By making full and accurate information about its mission, activities, finances, and governance publicly available, HachiSakura Judo Club Inc practices and encourages transparency and accountability to the general public. This policy will:
- a) indicate which documents and materials produced by the Club are presumptively open to members and/or the public,
 - b) indicate which documents and materials produced by the corporation are presumptively closed to members and/or the public,
 - c) specify the procedures whereby the open/closed status of documents and materials can be altered.

The details of this policy are as follow:

- 11.2. Financial and IRS documents (The Form 1024 and the Form 990). The Club shall provide its Internal Revenue forms 990 and 1024, Bylaws, Conflict of Interest Policy, and financial statements to the members and the general public for inspection, upon request and free of charge.
- 11.3. Means and Conditions of Disclosure. The Club shall make *widely available* the aforementioned documents on its internet website, www.hachisakurajudo.org, to be viewed and inspected by the general public.
- a) The documents shall be posted in a format that allows an individual using the Internet to access, download, view, and print them in a manner that exactly reproduces the image of the original document filed with the IRS (except information exempt from public disclosure requirements, such as contributor lists).
 - b) The website shall clearly inform readers that the document is available.
 - c) The Club shall not charge a fee for downloading the information. Documents shall not be posted in a format that would require special computer hardware or software (other than software readily available to the public free of charge).
 - d) The Club shall inform anyone requesting the information where this information can be found, including the web address. This information must be provided immediately for in-person requests and within seven days for mailed requests.
- 11.4. Board
- a) All board deliberations shall be open to the public except where the board passes a motion to make any specific portion confidential.
 - b) All board minutes shall be open to the public once accepted by the board, except where the board passes a motion to make any specific portion confidential.

- c) All papers and materials considered by the board shall be open to the public following the meeting at which they are considered, except where the board passes a motion to make any specific paper or material confidential.

11.5. Membership Records

- a) All membership records shall be available for consultation by the member concerned or by their legal representatives.
- b) No membership records shall be made available to any person outside the Club except the authorized governmental agencies.
- c) Within the Club, membership records shall be made available only to those persons with managerial or personnel responsibilities for that member, except that;
- d) Membership records shall be made available to the Board when requested.

11.6. Donor Records

- a) All donor records shall be available for consultation by the members and donors concerned or by their legal representatives.
- b) No donor records shall be made available to any other person outside the Club except the authorized governmental agencies.
- c) Within the Club, donor records shall be made available only to those persons with managerial or personnel responsibilities for dealing with those donors, except that;
- d) Donor records shall be made available to the Board when requested.

12. ARTICLE 12 – CODES OF ETHICS AND WHISTLEBLOWER POLICY

12.1. Purpose. The Club requires and encourages directors, officers, and members to observe and practice high standards of business and personal ethics in the conduct of their duties and responsibilities. The agents and representatives of the Club must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. It is the intent of the Club to adhere to all laws and regulations that apply to the Club and the underlying purpose of this policy is to support the Club's goal of legal compliance. The support of all Club directors, officers, members, representatives, and agents is necessary to achieving compliance with various laws and regulations.

12.2. Reporting Violations. If any director, officer, member, representative or agent reasonably believes that some policy, practice, or activity of the Club is in violation of law, a written complaint must be filed by that person with the Board President or Executive Director.

12.3. Acting in Good Faith. Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any

allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false shall be viewed as a serious disciplinary offense.

12.4. Retaliation. Said person is protected from retaliation only if he/she brings the alleged unlawful activity, policy, or practice to the attention of the Club and provides the Club with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to individuals that comply with this requirement.

- a) The Club shall not retaliate against any director, officer, member, representative or agent who in good faith, has made a protest or raised a complaint against some practice of the Club or of another individual or entity with whom the Club has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.
- b) The Club shall not retaliate against any director, officer, member, representative or agent who discloses or threatens to disclose to a supervisor or a public body, any activity, policy, or practice of the Club that the individual reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate of public policy concerning the health, safety, welfare, or protection of the environment.

12.5. Confidentiality. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

12.6. Handling of Reported Violations. The Board President or Executive Director shall notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports shall be promptly investigated by the Board and/or its appointed committee and appropriate corrective action shall be taken if warranted by the investigation.

12.7. This policy shall be made available to all directors, officers, members, representatives, and agents, and they shall have the opportunity to ask questions about the policy.

13. ARTICLE 11 – AMENDMENTS TO BYLAWS

13.1. Adoption. Except as otherwise provided herein with respect to greater voting requirements, or provisions which are not subject to amendment, if any, these Bylaws may be adopted, amended, restated or repealed by a majority of the Board of Directors, then in office, including the Officers of the Board, at any regular or special meeting of the Board, provided, however,

- a) That no amendment shall be made to these Bylaws which would cause the corporation to cease to qualify as an exempt corporation under §501(c)(7) of the

Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code; and,

- b) That an amendment does not affect the voting rights of the Executive Director and/or Board President; and,
- c) That all amendments be consistent with the Articles of Incorporation.

13.2. Inspection of Bylaws. The original or copy of these Bylaws, as amended, or otherwise altered to date, certified by the Executive Director, shall at all times be kept in the principal office of the Club for the transaction of business, and shall be open to inspection by the members, officers, and directors at all reasonable times during office hours.

CERTIFICATE OF ADOPTION OF NON-PROFIT CORPORATE BYLAWS

I, the undersigned, do hereby certify that attached hereto are the complete Non-Profit Corporate Bylaws of HachiSakura Judo Club Inc, and that such have been duly enacted by the Board of Directors and are in full force and effect as of January 01, 2017.

Jack M Varcados, 37775 Highway 160 Mancos
President/CEO CO 81328
HachiSakura Judo
Club Inc

Name	Address	Signature
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ACKNOWLEDGEMENT

STATE OF COLORADO

Acknowledged before me this ____ day of _____, 20____ by Jack M Varcados as President/CEO of HachiSakura Judo Club Inc.

(SEAL)

Notary Public:

Address:

My commission expires:
